ARCADIAN BULLETIN. . .

This is a method of communicating with selected subscribers for a specific purpose.

The subject is SOFTWARE, and is a follow-up letter to one that I wrote subsequent to the March AstroVision sales meeting. At that time, I wrote separate letters to commercial programmers (who advertise), and to subscribers who have contributed programs to the ARCADIAN. Rather than continue writing separate letters, sometimes to the same people, mostly the same stuff, I've decided to consolidate.

I contacted you about the prospects of selling programs through retail outlets. This will update that a little, and let you know where things are, as of June 12.

First off, it is my intent to market a group of programs entitled "Best of the ARCADIAN, 198x" and so I'm in the process of determining what seems to be the route to take. I plan to inform you of my thoughts and results, since some of you are interested in doing the same thing.

There are a number of ways that software can be marketed (besides the direct mail system which most people are using.) and these require access to the distribution system. If we (you, me, a consortium, whatever) go to the retailer, we'd have the most profit and the most work, in having to deal with a multitude of dealers (be optimistic), mailing to each, etc., etc. How do we find out who they all are?? If we go to the distributor, all the above work is done, we just have to mail a bigger package to fewer places, but the per piece profit goes down. I have a list of distributors now, about 24. If we can go up one level, there is even less work to do, and less profit per unit, but there should be more overall sales. In my opinion, this would be the way to go, and there is such a level.

IMAGE Computer Products, Inc., is a manufacturing/marketing concern that is currently packaging the ARCADE-plus and the new Videocades. A least two of their employees were affiliated with Bally, so there is some rapport with the product. (Dick Schultz and Dick Ainsworth) I have been talking to them about our software, but at the moment do not have anything constructive to report. What I am looking for from them is an offer to take a set of programs (as developed by one of us) and produce a quantity of tapes, package them for resale, and distribute them through the system. For this, the program author would receive some sort of payment. The hangup at the moment is at AstroVision, where some sort of decision between A/V and Image on software support is due. The Image people want to wait for this decision prior to starting any definitive talks with me (us). I am sending a letter to A/V on this, to see if I can help break up the logjam.

As a gesture of good-will, A/V will allow me to have a flyer enclosed in each Arcade-plus box, extolling the virtues of the ARCADIAN. As part of my inducement to get new subscribers, I will offer 10 program listings gratis (taken from the ARCADIAN). I will also make available a tape of those programs, to sell for $7.50, and will pay a royalty for each of the programs included on the tape. Since this is tied directly to

subscriptions, I will not include this in the other scheme mentioned above. Each of us will need the AstroVision Basic cartridge in order to transcribe our programs into the 2000 baud format for these new purchasers. I just talked to Jay Fenton, who has to rewrite his conversion program (because he had to modify the A/V Basic program last month). As soon as that is done, I will receive a copy and make it available to everyone - eventually in the ARCADIAN as well. Jay's program allows you to load the A/V cartridge through the #3 port, and then you can dump it to tape through the interface.

Some time in the future, A/V plans to send out a batch of Arcade-plus machines for a Field Test. Critiques and other inputs will be required, probably over a 60-day period. Costs of the units will on the wholesale level. If you are interested in this program, let me know.

Arcades are in production, with the best design of the Bally board - the modified AstroBoard is not ready yet. The AstroBasic is in production. The design of the AddUnder might be tied down this week, but don't hold your breath. A decision as to specific board layouts, etc., has to be made soon to make the Christmas market, never mind "fall" or even "october".

I'll keep in touch. ARCADIAN was shipped out 6/12.

ps. AstroVideocades are very slow. Apparently only Galactic Invasion and Biorythms are in actual production now. Space Fortress is supposedly to be a winner, along with Moses' Music, and Anderson's Chess, but these, or any others, have yet to be put into production.